

MINUTES

Meeting of: Scottish Futures Trust Board

Date & Time: 2.00pm, 16th December 2009

Place: 48 Queen Street, Edinburgh

Attendees: Sir Angus Grossart - Chair (AG)
Graeme Bissett (GB)
Cllr Jim Fletcher (JF)
Colin Maclean (CM)
Fiona Mackenzie (FM)
Barry White (BW)
Peter Reekie – in attendance (PR)

The Chairman opened the meeting.

Declaration of Interests

The Board noted that the interests declared at the previous meeting of 4th November 2009 still stand and do not create conflicts.

Matters Arising not otherwise covered by the agenda

a) Executive Summaries

GB proposed that executive summaries of larger documents referred to in the Chief Executive's Report be included in Board papers going forward. Following discussion Board members agreed to meet separately with the Chief Executive between Board meetings to discuss particular areas of interest.

1. Minutes of the previous meeting

The minutes of the 4th November 2009 meeting were accepted as a true and fair record.

2. Chairman's Report

The Chairman advised the Board that he had an opportunity to clarify SFT's role and report on the good progress made when he met Mr Iain Gray at a recent dinner. The Chairman has also spoken with Mr John Swinney and Mr Alex Salmond on a variety of matters and a follow up discussion with Mr Salmond is in the pipeline. The Chairman will meet with Mr Michael Russell (Cabinet Secretary for Education and Lifelong Learning) following the Chief Executive's meeting with him on 19 January 2010 to brief him on the role of SFT in the Schools Investment Programme. The Chairman has also spoken with various Press members.

3. Chief Executive's Report

a) Overview

BW presented his report noting the significant progress made towards achieving the stated objectives in the 2009/10 Business Plan. BW advised the Board that a schedule highlighting SFT's achievements against objectives will be included in SFT's Annual Report likely to be published in September 2010. The Board noted that the economic climate/budget backdrop may be different by then following the UK elections and that in public sector capital budget terms spending may tighten considerably. The Board asked that SFT look at the issue of radical asset rationalisation within the public sector with a view to identifying new opportunities to use its skills.

Action: BW to look at asset rationalisation and potential for SFT role.

BW advised the Board that he had met with Derek Brownlee MSP and Jeremy Purvis MSP to brief them on SFT's role and progress and discuss any concerns. The Board asked SFT to be aware of public sector sensitivities generally whilst striving to achieve a successful outcome on all projects. BW has proposed to meet with Andy Kerr MSP in the New Year.

BW reported that Neil Grice, the final member of staff to join the team from the recent recruitment campaign, started on Monday, 14 December 2009 as Associate Director. BW advised that the post of Procurement Director has not been filled, however the Board noted that SFT can operate satisfactorily meantime. BW highlighted the increase in demand for SFT services within a very short time and that the additional resource in the team is already heavily utilised. Increasingly people can see real benefit in using SFT's services and Local Authorities have shown particular interest in SFT support in the waste sector. BW believes there is already a good 4 -5 years worth of work in the waste sector with this being a good example of SFT offering strong commercial support in complex areas.

Action: BW to circulate Organogram of SFT team/roles with the Board Minutes.

b) Water

The Board discussed progress in relation to the future financing of Scottish Water. BW and PR have a meeting scheduled with Scottish Water on 7 January. AG and BW will meet with Mr Swinney and report on assessment of options for future structure of SW. WICS to be kept informed of our progress. A meeting with Welsh Water is also being progressed.

Action: PR to ensure WICS are kept abreast of work in relation to Scottish Water.

c) Waste

The Board noted SFT's progress in the waste sector. SFT are supporting the Edinburgh/Midlothian and Glasgow projects. The three Ayrshire Councils, North Lanarkshire and West Lothian have also invited SFT to participate in their residual waste projects.

d) Business Plan Risk Update

BW highlighted the Business Plan Risk Update attached at Appendix 2 of his report and advised the Board that identified risks are being monitored, with a number falling under on-going management. The Board asked that the SFT Executive team look at the magnitude and manageability of any risks identified.

e) NHS Lothian – New Clinical Neurosciences Building

BW advised the Board that SFT have been approached by NHS Lothian in relation to this project. Discussions on other health projects are ongoing.

Action: BW and FM to discuss SFT and the health sector.

f) St Andrew's University/Madras College

BW advised the Board that Fife Council and St Andrew's University are preparing a collaborative project that involves developing a new community/vocational facility on a site owned by the University. SFT have an opportunity to engage through a validation role.

g) Hub – North Territory

BW reported that following the issue of the OJEU to commence procurement of a private sector development partner on 23 November, over 100 private sector representatives attended the North Bidders' Day on 9 December. PQQ responses are due by 15 January 2010.

h) Infrastructure UK (IUK)

BW updated the Board on the initiative by the UK Government to develop a strategy for the UK's infrastructure over the next 5 to 50 years and coordinate procurement by establishing Infrastructure UK (IUK). IUK will be formed from the merger of the major projects team from Partnerships UK, The Treasury PPP policy team and the Treasury's Infrastructure Finance Unit.

4. Hub National Board Remit

GB presented a draft remit for the Hub National Board. The hub National Board at its meeting on 24 October 2009 approved the remit to govern its activities. SFT has been given authority by the Cabinet Secretary to oversee the delivery of the hub programme. The Board noted the requirement that the hub National Board reports regularly to SFT on all significant matters.

The SFT Board approved the draft remit and agreed to delegate to the hub National Board the authority necessary to execute the remit.

5. Schools National Board Remit

BW presented a draft remit for the Schools National Programme Board. SFT has been asked by the Cabinet Secretary to oversee the delivery of the Schools Investment Programme and is accountable to the Cabinet Secretary in that role. The main mechanism by which SFT executes its responsibility is via the SFT project team which is led by senior management employed by SFT. The SFT Board will receive regular summary progress reports from BW as Chair of the National Programme Board.

The SFT Board approved the draft remit and agreed to delegate to the Schools National Programme Board the authority necessary to execute the remit.

6. Budget & Finance

a) Month 8 - Actual versus Budget as at end November 2009

PR presented the 8-month financial position, noting the under expenditure against budget. The expenditure acceleration has not been as fast as anticipated during the year. External advisory costs have been lower than anticipated, in line with the permanent recruitment campaign. The outturn budget remains uncertain due to potential costs on consultancy expenditure on major programmes and fit-out/furnishing of permanent office premises. The Board noted the position and delegated authority to the Chief Executive to decide on communication of any under spend to Scottish Government.

b) VAT Registration

PR updated the Board on the lack of progress with Scottish Government on VAT registration. The Board asked PR to advise SG that if substantive progress is not made prior to 5 January 2010 the Company may be obliged to proceed with registration in its own right.

Action: PR to progress VAT registration.

7. Quality Control Processes

BW advised the Board of his intention to ensure that SFT's quality control processes are vested in individuals, e.g. the partner in charge of a team. The Board acknowledged that as SFT grows a more formal structure of financial controls may need to be implemented.

8. Any Other Business

a) SFT Board's engagement with SFT Executive Team

The Chairman reported that from time to time key SFT Executives will be asked to present to the Board.

b) SFT Board Appointment Process

PR reported to the Board that he is working with Scottish Government on the timeline for the process of Board re-appointments to be completed by the end of current appointments at end June 2010. Two options are currently being discussed internally:

1. Parallel process for Chair and Board members with advert at end January 2010.
2. Phased process with adverts for all posts in January, Chair appointment process following above timescale. Board member applications held until Chair is appointed, then interviews in September and appointment in October.

The second approach would require a further extension of Board member appointments but would allow the appointed Chair to be involved in the Board member selection.

Action: PR, AG and SG to establish composition of interview panel.

c) SFT Conference

The Board noted the success of the conference on 19 November and acknowledged that SFT has made significant progress in achieving recognition of its services.

d) SFT Office

PR provided a brief update on the ongoing search for SFT office space.

BW thanked the Board for its support.

There being no further business, the meeting was closed.

Date of next Meeting

25 January – 2.30pm

Meeting Dates for 2010 – all meetings start at 2.30pm unless otherwise stated:

25 January	8 March	10 May	21 Jun
13 September at 3.00pm	15 November		